

By: Burrows

H.B. No. 338

A BILL TO BE ENTITLED

AN ACT

relating to acreage contracts and quantity contracts for the purchase of agricultural products.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. This Act may be cited as the Producer Protection Act.

SECTION 2. Subtitle D, Title 5, Agriculture Code, is amended by adding Chapter 104 to read as follows:

CHAPTER 104. ACREAGE CONTRACTS AND QUANTITY CONTRACTS

Sec. 104.001. DEFINITIONS. In this chapter:

(1) "Acreage contract" means a contract that requires a producer to deliver to a purchaser all of the production of a specified agricultural product grown on land described in the contract. The term does not include a contract that requires a producer to deliver a specified quantity of an agricultural product.

(2) "Producer" means a person who produces an agricultural product and sells the product under an acreage contract or a quantity contract.

(3) "Purchaser" means a person who purchases an agricultural product under an acreage contract or a quantity contract.

(4) "Quantity contract" means a contract that requires a producer to deliver to a purchaser a specified quantity of an

1 agricultural product, regardless of the amount of the product grown
2 by the producer.

3 Sec. 104.002. CONTRACT TYPE DISCLOSURE. A contract between
4 a producer and a purchaser regarding an agricultural product must
5 clearly and conspicuously state on its face that it is an acreage
6 contract or a quantity contract, as applicable.

7 Sec. 104.003. PRODUCER'S ESTIMATE FOR ACREAGE CONTRACT;
8 PREREQUISITE TO SUIT BY PURCHASER. (a) A purchaser may request from
9 a producer information supporting the producer's estimate of
10 production under an acreage contract.

11 (b) A purchaser may not file suit against a producer based
12 on inaccuracies in the producer's estimate of production under an
13 acreage contract unless the purchaser makes a written request for
14 information under Subsection (a) not later than the 30th day after
15 the date the acreage contract is executed.

16 SECTION 3. Chapter 104, Agriculture Code, as added by this
17 Act, applies only to a contract executed on or after the effective
18 date of this Act. A contract executed before the effective date of
19 this Act is governed by the law in effect when the contract was
20 executed, and the former law is continued in effect for that
21 purpose.

22 SECTION 4. This Act takes effect September 1, 2017.